

MUSEQUALITY

(A COMPANY LIMITED BY GUARANTEE HAVING NO SHARE CAPITAL)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2010

CHARITY NUMBER 1119308

COMPANY NUMBER: 06216146

MUSEQUALITY

DIRECTORS AND TRUSTEES:	Sir H.J.H. Maud KCMG D.P.F Juritz J. Bradshaw R.C.B. Freeland A. Simmons C. E. Delmar
SECRETARY AND TRUSTEE:	J. Bradshaw
REGISTERED OFFICE:	45 Priory Avenue London W4 1TZ
REGISTERED NUMBER:	06216146
CHARITY NUMBER:	1119308
BANKERS:	HSBC Bank PLC 281 Chiswick High Road Chiswick London W4 4HJ
ACCOUNTANTS	Casey Lester Chartered Accountants Equity House 57 Hill Avenue Amersham Buckinghamshire HP6 5UN

MUSEQUALITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2010

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MUSEQUALITY

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JANUARY 2010

Incorporation

The company was incorporated on the 17 April 2007.

Charitable Status

Musequality has charitable status (registration number 1119308).

Structure, governance and management

Musequality is controlled by its Memorandum & Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Directors and Trustees

All Directors of the Company are also Trustees of the Charity. The Directors who held office during the year were:

Sir H.J.H. Maud KCMG
D.P.F. Juritz
J. Bradshaw
R.C.B. Freeland
A. Simmons
J. Biddolph
C. E. Delmar

There have been two changes to the trustees this year. Joanna Biddolph resigned on 1st October 2009. Joanna's professional communications expertise and tireless dedication made an enormous contribution to the launch and early success of Musequality, and the Trustees are hugely grateful to her.

Clare Delmar was appointed on 1st November 2009. Clare is a former project financier who began to get involved in community arts 10 years ago starting with a local children's choir. Since then she has run an education and outreach programme at the BBC and set up a company that produces events linking arts, corporate and educational organisations. She is the creator of "City Sings" which partners businesses with local schools to prepare and perform choral works at major concert venues. In addition to establishing valuable partnerships, City Sings has commissioned new music and generated funds for music education in participating schools.

All six directors of the company are also the trustees of the charity. They constitute the management team and are the primary workforce of Musequality.

Their work is divided as follows:

- **Sir Humphrey Maud**, chairman, ensures that Musequality is effectively governed and that its resources are prudently managed. Through his former diplomatic contacts he has secured the support of many individuals around the world.

- **David Juritz**, the founder, is the architect of Musequality's strategy and leads in the identification of music projects. He is also the charity's principal fundraiser and face to the supporting public. He is an internationally-renowned violinist.
- **Jeremy Bradshaw**, secretary, manages the charity's financial affairs and statutory reporting, coordinates and records the trustees' meetings, and assists with fundraising events.
- **Rowan Freeland** provides legal and regulatory compliance advice and challenge to the trustees.
- **Annabelle Simmons** acts as our link to the projects, monitors progress and spend against budgets, and recommends release of staged funding for approval by the trustees.
- **Clare Delmar** is developing partnership opportunities with potential corporate donors.

In addition, the following people gave generously of their time:

- **Jane Davies**, wife of David Juritz, continued to do an enormous amount of work designing and producing publicity materials in addition to developing and maintaining the website. She also manages displays and fundraising at events.
- **Nicolette Solomon** and **Margaret Hubing** of the Suzuki Institute of Dallas continued to act as Musequality's agents for fundraising in the USA.
- **Laura Sheldon** managed many aspects of the World Busk and was instrumental to its success.
- **Jean Buck** worked with a number of schools on fundraising initiatives.

Criteria for selection of trustees

The criteria remain as follows:

- (a) a commitment to the vision of the founder and the objectives of Musequality;
- (b) a specific set of skills and experience needed by the charity and complementary to that of the other trustees; and
- (c) their ability and preparedness to give time regularly to the running of the charity.

The trustees are guided in their responsibilities by the Memorandum of Association and the publications "Good Governance – A code for the Voluntary and Community Sector" and "Learning to Fly" published by the National Hub of Expertise in Governance.

Remuneration

- None of the trustees was remunerated for his or her work.

Risk assessment and crisis management

- We maintain a risk register that sets out the main risks to Musequality's continuing operation and success, prioritised according to impact and probability. For each risk identified there are actions agreed by the trustees to manage it or mitigate its effects.

Objects of the charity, principal activities and organisation of our work

Musequality's charitable objectives are set out in its Memorandum & Articles of Association as follows and remain unchanged:

For the benefit of the public overseas, particularly but not exclusively children and young people:

- (a) The advancement of education in music;
- (b) The promotion of the development of young people in achieving their full physical, mental and spiritual capacities to enable them to participate in society as responsible citizens; and
- (c) The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interests of social welfare, with the object of improving the conditions of life for the inhabitants of the area of benefit without distinction of sex or of political, religious, or other opinions.

Aims

Musequality was set up to take communal music-making projects to some of the most disadvantaged children in the developing world.

The aim is not to produce musicians but to give marginalised children the chance to learn skills that offer them a route out of poverty, lifting them off the streets and away from the risks of drug culture, violence and crime.

Anyone who has played a musical instrument, or sung in a choir or group, knows that it teaches skills that are valuable in other aspects of life.

The developing world desperately needs qualified and able teachers, doctors, farmers, lawyers, scientists, business people, decision-makers and leaders – drawn from their own communities. If it is to have those people in the future it needs – today – to help its young people develop the essential skills and qualities that will enable them to turn their lives around and fill these and other important roles. Communal music-making teaches those skills and qualities.

By setting up and supporting community music projects, we give children the chance to change their lives and there is plenty of evidence, from programmes such as Venezuela's "El Sistema", that it works.

Activities

We support the formation of new groups that bring music to underprivileged young people in the developing world, helping teachers over the first and biggest hurdle: buying instruments and establishing a new project or organisation.

We also work in partnership with established organisations, setting up new music projects or developing existing ones, and we work with new organisations and individuals who are keen to run pilot projects to assess what would work in the longer term. We also facilitate partnerships between our projects and music ensembles, schools and teachers including through exchange programmes and training.

We cannot support projects in the UK. We also do not support projects where the prime focus is on individuals, rather than on a group.

We provide the means to enable groups which want to come together to make music. Those means might include:

- musical instruments;
- sheet music;
- music stands;
- training materials;
- transport for children or teachers to travel to the project;
- refurbishing or building a space or premises for rehearsals or performances;
- basic equipment;
- training courses for teachers;
- performance expenses.

We plan to develop exchanges so that teachers in our projects can visit music schools or colleges to enhance their skills – and teachers from other countries can visit our projects, bringing new skills and information to widen horizons for the children in our projects.

We provide support at varying levels, for three years, after which we expect the project to be well-established and self-supporting. In exceptional circumstances, we will consider providing support for up to two additional years, depending on resources.

Additional objectives and activities

Making a real difference

Many underprivileged children do not have the benefit of a secure family environment in which to develop their education in which to develop their education and learn social skills. For them, the challenge and fulfilment of performing music in a group offers an opportunity to learn how to integrate socially and express and assert themselves in a way that enhances not just their own characters but also the group's performance, as a whole. They are thus far more likely to have the self-belief, ability and will to build a successful career than those who never have such an opportunity.

A flexible approach

There is no one solution that works for all; every project needs different forms of help depending on where it is and the resources it already has. We are flexible in our approach and are as likely to fund the purchase of musical instruments and sheet music as we are to help hire, renovate or equip a hall so that children can put on performances – so important in setting goals and building self-esteem.

Expectations of projects and project leaders

(a) Demonstrate they can run a project to the benefit of the children

Project leaders must demonstrate they have at least a basic understanding of how to run a project and manage its finances. We aim to keep bureaucracy to a minimum but ask project leaders to complete our standard application form; project leaders who have done so tell us it helped them focus their minds on what was possible and achievable, not just on what was desirable.

(b) Prove they have spent our funding appropriately

Project leaders must provide evidence that our funding has been spent as intended. Shortfalls cannot be compensated for by later funding.

(c) Show that the project is sustainable beyond the time of our involvement

Our support is for three years. We would not be keen to support a project which is unlikely to last beyond that time. We hope projects will become self-sustaining.

(d) Put children at the heart of everything they do

One member of staff in each project must have special responsibility for child protection. UK residents working in our projects must submit a current Enhanced Disclosure certificate from the Criminal Records Bureau. If there are no such checks in other countries, we require our projects to adopt the "Keeping Children Safe" Coalition's standards to the letter.

(e) Acknowledge Musequality's support

We would like others to know how Musequality can help; equally we would like Musequality's donors to know where their donations have been spent. We will supply notices and logos (to be printed locally) for display throughout the term of sponsorship. We expect organisations with which we collaborate to acknowledge our role in their projects.

(f) Inform us of anything that might have an impact on our involvement as sponsors or our relationship with the project

Welcoming project ideas

As we set out to raise more funds - launching new initiatives and seeking sponsorship - we welcome approaches from people with projects which might benefit from Musequality's involvement.

On our website we encourage people thinking about a project to call us to discuss their ideas. If the project appears to have promise, we will direct them to the application form, which is available for downloading. Completing the form enables potential project directors to test the viability of their project, address the tasks necessary to make it a success, and consider and manage the risks associated with such a venture.

At this early stage in the charity's life, with limited funds at our disposal, we are seeking to identify and mature specific projects via this approach, and then present them to potential donors as a project they can adopt.

Strategic Review

On 1st December 2009, following extensive discussions and the completion of a detailed application, the William and Flora Hewlett Foundation advised that they would make us a grant of \$45,000. This is to finance a strategic plan related to Musequality's charitable purposes.

The trustees are enormously grateful to the Foundation for this great generosity, and signal of endorsement of the charity's work to date.

The strategic review will be directed by two consultants, Alice Garrad and Eleanor Cozens, respectively experts in fundraising and development. This review will help the Trustees take the next step in Musequality's growth, by developing a clear vision statement, and addressing critical questions of governance, administration, performance evaluation, project sustainability, and targeted fundraising. Our application to the Foundation was being reviewed at the end of the year, with the expectation of a grant during spring 2010.

Achievements and performance

This year we have continued to allocate funds between support for projects established in 2007/8, funding new initiatives, and building reserves.

Ban Mok Cham, Thailand

The village of Ban Mok Cham set up a cultural centre to keep their Shan hill-tribe traditions alive and to attract visiting school groups to share their culture.

Musequality gave them a grant to build a performance centre and to buy instruments to support their music programme. The centre was officially opened at a blessing ceremony in December 2008 and earlier this year, a party from the village travelled down the river into Burma to buy instruments from a local instrument maker. More instruments are now being made for the project locally.

Since we made our original grant, a generous benefactor has given a donation to fund teachers' salaries on the project for the next three years.

Childs Play, Goa, India

We have been working on setting up our next major project for street children in Goa - Child's Play India. Luis Dias, the project director, is working in partnership with Hamara School, which works to educate and empower underprivileged children. We have now raised the funds necessary to support this project and will start transferring them when the necessary administrative steps in Goa are completed.

Elgon Youth Brass Band, Mbale, Uganda

The hugely resourceful music teacher Fredrick Kyewalyanga has set up a new brass band in Mbale, Eastern Uganda. With support and guidance from Philip Monk of the charity "Ugive2uganda" he collected some instruments. He now has more than 80 children in his group.

Thanks to a substantial grant from the Girdlers' Company of London, we started to fund teachers' salaries, rental of a building for the group, and will be supplying some new brass instruments.

Embu County Primary School, Kenya

The charity "Moving Mountains" funds a school in the slum district of the Embu, Eastern Kenya.

They were keen to introduce music into the school curriculum and managed to get support for a qualified music teacher. We have made them a grant to buy a keyboard and an amplifier for use in open-air assemblies, as well as some books and other instruments.

M-LISADA Brass Band, Kampala, Uganda

We have funded the production of M-LISADA Brass Band's second CD, which is being sold at fund-raising events in Uganda and the UK. We also supported an innovative event they organised in Kampala in November 2009 called "Music to the Rescue". During this 2-day event they arranged a communal clean-up of their local area, while members of the band entertained the volunteer workers, and put on a concert at the end to say "thank you". We were particularly enthusiastic about M-LISADA's determination to invest in the community.

Koforidua School for Deaf and Handicapped Children, Ghana

A grant was made to a new project at the Koforidua School for Deaf and Handicapped Children in Ghana. This project will give children with children with learning difficulties and behavioural problems the opportunity to learn traditional Ghanaian instruments.

Tender Talents Magnet School, Kampala

We have continued to fund our largest project, set up in collaboration with the Kampala Music School, in line with the agreed business plan.

How our activities deliver public benefit

The trustees have considered the guidance published by the Charity Commission and concluded that the charity's core activities satisfactorily addresses the principles of identifiable public benefit and demonstrate that the charity has fulfilled the public benefit requirement under the Charities Act 2006. By way of explanation as to how this is achieved:-

Playing a musical instrument or singing in a group brings clear benefits for participants in funded projects:

- (a) enhances education – teaching numeracy, pattern recognition, goal setting, problem solving;
- (b) builds social skills – discipline, working in a team, leadership, negotiating, compromise, making conversation;
- (c) develops personal qualities – self-belief, self-confidence, self-esteem, ambition, a sense of identity;
- (d) demonstrates the benefits of working hard – individual effort brings individual rewards and benefits the group as a whole;
- (e) challenges prejudices – in societies where gender inequalities exist, it gives girls a chance to demonstrate equality.

The early progress being made by children and young people in our projects shows that these benefits are entirely consistent with the aims of Musequality. The benefits are to a particularly deserving section of the public – those who, because of economic limitations, have enjoyed few opportunities for the learning and personal development that music brings.

Because of the inclusive nature of our work, the class of people who could benefit from Musequality's work is enormous. The number we can help in practice is restricted simply by our financial resources, the availability of capable project leaders and teachers, and our administrative capacity.

The only private benefits this year have been incidental, as a necessary by-product of carrying out Musequality's aims. These benefits consist of fees for professional services of marketing & publicity, website development, accountancy, etc.

The following messages from three project leaders are good examples of the benefits Musequality is bringing:

Greetings... With us at M-lisada we are quite fine. It was through music which crosses all barriers known to man, gender, age, social class among others that we became friends. As we promised to give you more greetings and information from M-lisada family, salute. This time round, we have had a more colourful experience... nine of our children managed to sit for their ABRSM UK music exams at Kampala Music School and passed well.

Bosco Segawa, M-LISADA

The Koforidua Music project is on course. The pupils' participation in the school's carols night was marvellous. With such a marked improvement your support will go a long way to boost the pupils' morale and encourage their performances.

E. Ofosu Boachie, Headmaster, Koforidua Music Project.

Thanks so much for your support. The help that you have given us has made a real impact here in Mbale. Since we moved into our new building we have been able to make some real progress. Firstly, our band now has a place that we can call home and everyone associated with the band feels that there is somewhere we can meet, rehearse and store our instruments safely.

Fredrick Kyewalyanga, Elgon Youth Brass Band

Fundraising

World Busk

Our headline initiative during 2009 was the World Busk. It took place for one week in June. We also organised what we believe was the largest global busk on one day. At noon (local time) on 14th June, we estimate that 811 buskers, in 75 locations on all 7 continents, and on an aircraft carrier in the Baltic Sea, performed in the first Musequality World Busk and raised nearly £15,000. We also secured significant media coverage around the world, a wealth of pictures and video clips for our website, and many requests to repeat the event in 2010.

The Girdlers' Company

The Girdlers' Company of the City of London made a generous grant of £7,000, which is being allocated to the Elgon Youth Brass Band in Mbale, Uganda, to help buy instruments and pay for teachers and accommodation. The application for this grant was made by Philip Pirie, a long-standing supporter of Musequality and a member of the Girdlers' Company. We are most grateful to Philip and his colleagues at the Company.

Fundraising in Schools

Separately from the World Busk, four schools this year have raised funds through sponsored practices and other events. Notably donations have come from Newton Preparatory School, Amery Hill School, Twyford C of E High School, St Richard's School, and Godolphin & Latymer School. Jean Buck, a music teacher and Musequality volunteer, has been instrumental in pursuing opportunities in UK schools and we believe this avenue has great potential.

Individual donations

These remain an extremely important source of income. We believe that the bulk of individual donors are either practicing musicians (professional and amateur) or lovers of music – in whose lives music plays an important part and who can readily identify with the personal enrichment the music can bring to the children Musequality is supporting.

Donations in kind

We have had a number of offers of musical instruments and other equipment for the projects, and are indebted to friends and supporters who added these to their luggage or consignment and got them to their destinations. We are also delighted that a music teacher from Portsmouth Grammar School, Jane Ingamells, is going to Kampala Music School in the summer of 2010 on a sabbatical to launch a strings programme there. A number of musicians and music teachers have approached us to offer their services in this way, and we hope to be able to take them up in the near future.

Monitoring performance against plans

One of the conditions attached to the Girdlers' grant to Elgon Youth Brass Band is receipt by Musequality of a series of satisfactory reports from the project leader, explaining how the money is being spent and what has been achieved. One of the Trustees, Annabelle Juritz, has taken the responsibility of monitoring these reports and recommending each transfer of funds.

We intend this to become a systematic process for all projects in the future, whereby each transfer is made subject to satisfactory feedback, and donors can be provided with objective measures of the benefit that their contributions have delivered. Further work on this aspect of governance will be included in the Strategic review.

Marketing and Communications

The Musequality website, www.musequality.org, remains our most important medium for informing people wanting to know about our work, and once again the special web design skills provided freely by Jane Davies, David's wife, must be mentioned with gratitude. Jane has been assisted this year with some professional support in the development of the World Busk website, that enabled buskers to register and receive information, and us to track the busk's global coverage. Supporters have observed that the website is of a higher quality than could reasonably be expected of a small new charity.

We email occasional newsletters to our list of supporters. However we have not been able to make the progress we hoped for in 2009 on an effective marketing database. This is entirely due to the lack of time available among the team of trustees and volunteer helpers and again is a critical issue that will be addressed in the Strategic Review.

Our leaflet has proved to be a low cost but effective marketing tool at fundraising events and as an introduction – it was designed and produced in 2008 but remains current and valid.

Transactions and Financial position

The Statement of Financial Activities shows net income for the year of £17,701 and reserves as at the balance sheet date of £65,457. The income for the period generated from donations and the sale of CDs and cards totalled £49,698.

During the year the following grants and sundry project costs were made

Tender Talents Magnet School (via Kampala Music School)	£17,622
The Ban Mok Cham School Music Project, Thailand (Contribution to teachers' salaries)	£500
M-LISADA Brass Band, Kampala, Uganda (Capacity building workshop organised by M-LISADA)	£385
(Cost of recording and production of second CD)	£718
("Music to the Rescue" event)	£770
Elgon Youth Brass Band (First payment from Girdler's Company grant, plus NGO registration fee)	£589
Embu County Primary School (Keyboard and amplifier)	£1,200
Melodi Music (Costs of concert during UK tour)	£325
Koforidua Anointed Music (Teachers' salaries)	£1,000

Financial Summary for year ended 31 January 2010

Income:

Donations	£49,698
Interest	£25

Expenditure:

Transfers to projects	£23,109
Fundraising costs	£5,361
Administration costs	£3,552

Net Assets on balance sheet at year end	£65,457
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Financial Review

Reserves policy

Why we need reserves

When agreeing to fund a project, Musequality makes a commitment to meet the start-up costs and operating expenditure for three years. We will not make this commitment without corresponding funds in reserve or guarantees from donors.

Notwithstanding the project director's best efforts to budget accurately, and careful review by the trustees and advisors qualified to assess local costs, some overruns may still occur or the timing of expenses may be unexpected (such as the opportunity to buy a piano at a good price earlier than planned) arise.

Level of reserves needed

The trustees aim to hold in reserve the equivalent of one year's operating expenditure commitments for all projects being supported

Steps being taken to maintain reserves at this level

The one project to which we have made a three-year commitment (Tender Talents Magnet School in Kampala, Uganda) at the date of this report has an annual operating budget of £10,000. We are holding this sum in reserve in an interest-bearing bank account. Before committing to our next planned major project (likely to be in India), we will secure a corresponding sponsorship commitment covering the start-up costs, first year operating costs, and a further year's worth of costs as additional reserves.

Monitoring and reviewing the reserves policy

The trustees will monitor and review this policy annually to ensure it remains appropriate.

Fundraising objectives

Our fundraising was in the same region as it has been for the previous two years – approximately £45,000 in the UK and £4,700 in the USA. The most significant tranches were the Girdlers' Company grant and the proceeds of the World Busk. A high-profile initiative appears essential each year to generate this kind of income.

Once again we did not have the administrative resource available to make applications to grant-giving foundations, beyond the Girdlers' Company.

Apart from the World Busk, we did no specific fundraising in the US; however a small number of generous donors have supported us and we are most grateful to them. Fractured Atlas, a non-profit arts service organisation with 501(c)(3) tax status, continued to receive donations on our behalf, with the Suzuki Institute of Dallas kindly acting as our agent.

The Strategic Review and plan is expected to show how we can move the charity up to a new level of income generation and thus project support.

Operating costs

This year, Musequality made payments to projects of approximately £23,000 and incurred expenses of approximately £8,500. Apart from payments of £1,500 to Jo Biddolph as a token payment for her Professional Communications and PR services and £750 to David Juritz in relation to professional services, none of the trustees or supporters received any remuneration for their work. In the case of David Juritz and his wife Jane, this workload has been very onerous. It is unlikely that Musequality can much longer avoid paying for the ongoing administrative support that is needed to ensure efficient functioning.

This report was approved by the board on 3 September 2010

Signed on behalf of
The board of directors

J Bradshaw
Director and Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

MUSEQUALITY

FOR THE YEAR ENDED 31 JANUARY 2010

I report on the accounts for the year ended 31 January 2010 set out on pages sixteen to twenty one.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 43 of the 1993 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 43(7)(b) of the 1993 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

A.J. Healey FCCA (On behalf of)
Casey Lester
Chartered Accountants
Equity House
57 Hill Avenue
Amersham
Buckinghamshire
HP6 5UN

Date: 6 September 2010

MUSEQUALITY**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31 JANUARY 2010**Summary income and expenditure account

	<u>Notes</u>	<u>Unrestricted</u> £	<u>Restricted</u> £	<u>2010</u> <u>Total</u> <u>Funds</u> £	<u>2009</u> <u>Total</u> <u>Funds</u> £
<u>Incoming resources</u> <u>from General Funds</u>					
Voluntary Income					
Donations & CD Sales	2	39,698	10,000	49,698	37,906
Investment income	3	25	-	25	549
		_____	_____	_____	_____
Total incoming resources		£39,723	£10,000	£49,723	£38,455
		_____	_____	_____	_____
<u>Resources expended</u>					
Costs of generating funds	4	8,134	-	8,134	647
Charitable activities	5	23,109	-	23,109	7,721
Governance costs	6	779	-	779	1,721
		_____	_____	_____	_____
Total resources expended		£32,022	£ -	£32,022	£10,089
		_____	_____	_____	_____
Net movement in funds		7,701	10,000	17,701	28,366
Fund balances brought forward		46,756	1,000	47,756	19,390
		_____	_____	_____	_____
Fund balances carried forward		£54,457	£11,000	£65,457	£47,756
		_____	_____	_____	_____

The statement of financial activities includes all gains and losses recognised in the period.

All incoming resources and resources expended derive from continuing activities.

MUSEQUALITY**BALANCE SHEET****AS AT 31 JANUARY 2010**

	<u>Notes</u>	£	<u>2010</u>	£	<u>2009</u>	£
<u>Current assets</u>						
Debtors	9	15,268			11,488	
Cash at bank		50,953			36,814	
		65,960			48,302	
Creditors: amounts falling due within one year	10	(764)			(546)	
<u>Net current assets</u>				65,457		47,756
<u>Total assets less current liabilities</u>				£65,457		£47,756
<u>Reserves</u>						
Profit and loss account						
Unrestricted funds				54,457		46,756
Restricted funds				11,000		1,000
<u>Members' funds</u>	12			£65,457		£47,756

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2010.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 January 2010 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- Preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 3 September 2010.

Signed on behalf of the board of directors and trustees by:

.....
J Bradshaw
Director and Trustee

MUSEQUALITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

b) Fund Accounting

Funds held by the charity are unrestricted general funds, which are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

c) Incoming resources

All incoming resources including tax reclaims are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Interest receivable is included in the accounts in the period in which it is earned.

d) Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

f) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

g) Cash flow statement

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Small Entities (effective April 2008).

h) Taxation

The charity is exempt from corporation tax on its charitable activities.

i) Gifts in kind

Gifts in kind will be accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

j) Donated services and facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

MUSEQUALITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JANUARY 2010**

2.	<u>Voluntary income</u>	2010	2009
		£	£
	Donations and CD sales	49,698	37,906
		_____	_____
		£49,698	£37,906
		_____	_____
	Donations include £3,000 specifically donated for the Ban Mok Chan project in Thailand and £7,000 for the Elgon Youth Brass Band (Frederick Kyewalyanga).		
3.	<u>Investment income</u>	2010	2009
		£	£
	Bank interest receivable	25	549
		_____	_____
		£25	£549
		_____	_____
4.	<u>Costs of generating funds</u>	2010	2009
		£	£
	Printing, postage & stationery costs	1,403	1,845
	CD & Christmas card costs	743	749
	Computer & internet costs	1,273	92
	Professional services and administration costs	1,500	-
	Fundraising fees	1,985	211
	Bank charges	210	75
	Exchange loss/(gain)	1,020	(2,325)
		_____	_____
		£8,134	£647
		_____	_____
5.	<u>Charitable activities costs</u>	2010	2009
		£	£
	Grants payable	21,977	6,870
	Sundry project costs	1,132	-
	Consultancy services	-	851
		_____	_____
		£23,109	£7,721
		_____	_____
6.	<u>Governance costs</u>	2010	2009
		£	£
	Accountancy fees	764	1,721
	Annual return filing fee	15	-
		_____	_____
		£779	£1,721
		_____	_____

MUSEQUALITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JANUARY 2010**7. Net Incoming resources

Net resources are stated after charging/(crediting):

	2010 £	2009 £
Exchange loss/(gain)	1,020	(2,325)
Accountancy fees	764	1,721
	<hr/>	<hr/>

8. Directors emoluments

There was no directors' remuneration or other benefits for the year ended 31 January 2010 (2009 - £Nil).

During the year, the company reimbursed expenditure totalling £1,774 incurred on charity business to two of the directors and one of the directors' relatives. Expenditure was in relation to printing, postage, stationery and computer & internet costs.

One of the directors D.P.F. Juritz was paid £750 appearance fee for attendance at a fund raising concert in Japan and represents a substantial discount on his normal fee as a highly renowned violinist.

One of the directors, Joanne Biddolph received £1,500 for professional services in relation to PR Services.

9. Debtors: amounts falling due within one year

	2010 £	2009 £
Other debtors	15,268	11,488
	<hr/>	<hr/>
	£15,268	£11,488
	<hr/>	<hr/>

10. Creditors: amounts falling due within one year

	2010 £	2009 £
Accruals and deferred income	764	546
	<hr/>	<hr/>
	£764	£546
	<hr/>	<hr/>

MUSEQUALITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JANUARY 2010**

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11.	<u>Analysis of net assets between funds</u>		<u>Restricted general funds</u>	<u>Unrestricted general funds</u>	<u>Funds</u>
			£	£	£
	Tangible fixed assets		-	-	-
	Net current assets		11,000	54,457	65,457
			_____	_____	_____
			£11,000	£54,457	£65,457
			_____	_____	_____
12.	<u>Statement of funds</u>	At 1 February 2009	<u>Income</u>	<u>Expenditure</u>	At 31 January 2010
	General fund	46,756	39,723	32,022	54,457
	Restricted fund	1,000	10,000	-	11,000
		_____	_____	_____	_____
	Total funds	£47,756	£49,723	£32,022	£65,457
		_____	_____	_____	_____

13. Company's status

The company is limited by guarantee and has no share capital.

MUSEQUALITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****DETAILED INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 JANUARY 2010**

	£	2010	£	£	2009	£
Donations and CD & card sales		49,698			37,906	
Bank interest receivable		25			549	
		<hr/>			<hr/>	
		49,723			38,455	
 <u>Less: Expenditure</u>						
Grants & sundry project costs payable	23,109			6,870		
Consultancy services	-			851		
Printing, postage & stationery costs	1,403			1,845		
Computer & internet costs	1,273			92		
CD costs	743			749		
Professional services & administration costs	1,500			-		
Fundraising fees	1,985			211		
Accountancy fees	764			1,721		
Annual return filing fee	15			-		
Bank charges	210			75		
Exchange loss/(gain)	1,020			(2,325)		
		<hr/>		<hr/>		
		32,022			10,089	
		<hr/>			<hr/>	
<u>Net income for the year</u>		£17,701			£28,366	
		<hr/>			<hr/>	